

[ETUC newsletter]



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Figure of the month

20%

In 2005, the top 20% income group earned five times as much as the 20% with the lowest income. In 2000, the gap between the richest and poorest was limited to a factor of 3.5.

Make a note



Dear Readers,

The European trade union movement is on the offensive on the question of pay and purchasing power. In many European countries the share of wages in gross domestic product (GDP) is shrinking even as corporate profits continue to increase. Workers are increasingly qualified and productive, but companies, sometimes with their shareholders, are the main ones to reap the rewards. The consequences for the workforce can be measured by a loss of purchasing power, in particular – though not only – for those with the lowest wages. Rising energy and food prices are among the causes of the decline in purchasing power, but it is also important to identify the wage moderation practised for years by employers and recommended by the European Central Bank (ECB). Another consequence is an increase in wage inequalities, particularly for young people, women and migrants.

These are the elements that have prompted the European trade union movement to launch a European campaign for fair pay. The unions are calling for more pay, better purchasing power and more equality. This campaign has its own demands of course, but it also supports the national campaigns being carried out by ETUC members. One of the highlights of our campaign will be the Euro-demonstration in Ljubljana (Slovenia) on 5 April, to coincide with the ECOFIN Council focusing on wage issues.

We are counting on seeing you there in large numbers!

Another important issue: the European Commission has just published its Communication on the consultation of the European social partners on revision of the European Works Councils (EWC) Directive. The ETUC welcomes the Commission's proposals, even though they have come a little late, and is prepared to negotiate with the employers.

Finally, the repercussions of the EU Court of Justice rulings in the Laval and Viking cases, which constitute a licence for social dumping in Europe, continue to be one of our top priorities. These judgements touch the very heart of labour relations and risk provoking a protectionist and anti-European response. The ETUC calls for action to repair the damage already caused and will be keeping a close eye on future developments, particularly in view of forthcoming ECJ rulings on two similar cases.

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[ETUC in action]

ETUC campaign

ETUC launches a European campaign on wages



20/02/2008 – The official launch of the ETUC's [European campaign on wages](#) took place at a press conference in Brussels. Europe is witnessing an increasingly unequal divi-

sion of wealth. Real salaries are on a downward spiral, while company profits are rising.

To counter this trend, the ETUC has decided to launch a Europe-wide campaign on wages. The key event of the campaign will be a **Euro-demonstration to take place in Ljubljana (Slovenia) on 5 April**.

The European trade union movement is saying 'stop' to the repeated calls for wage moderation and 'stop' to governments and employers who too freely resort to cutting wages as their only means of adjustment.

[ETUC press release](#)

[More information on the campaign](#)

Industry federation campaigns

EPSU Day of Action against prison overcrowding

28/02/2008 – The European Federation of Public Service Unions (EPSU) has organised a [European Day of Action against prison overcrowding](#).

The action day is a response to the grave situation in European prisons, with the prison population, on average, amounting to 125% of capacity, and reaching almost 200% in some countries.

This overcrowding puts unbearable pressure on prison staff. The Day of Action marks the launch of a campaign to tackle the problem of prison overcrowding, with the aim of ensuring that prisons are safe and healthy places to work, and securing investment in alternative solutions to imprisonment.



Conference on feedback from workers' health and safety reps



11-12/02/2008 – The ETUC organised a conference on [Feedback from workers' health and safety reps: A vital asset for preventive strategies](#). The conference brought together researchers from different European universities, trade unionists and representatives from the relevant European authorities to take stock of conditions relating to health and safety at work.

Conferences

Put job quality at the heart of the European Employment Strategy



28-29/02/2008 – More than 100 European trade unionists, as well as national and European policy-makers, took part in the ETUC's [conference on quality of work](#).

The key message from the European trade union movement was that the 'better jobs' aspect of the Lisbon Strategy has been neglected. In Europe there is already too much flexibility and too little security for workers.



[Trade Union Agenda]

February 2008 – March 2008

07/02/2008	ETUC Steering Committee (Brussels)	
11-12/02/2008	Conference “Feedback from workers’ health and safety reps: A vital asset for preventive strategies “ (Brussels)	Conference programme
13/02/2008	Meeting of the Group II “Workers” of the European Economic and Social Committee (Brussels)	
15/02/2008	CGSLB Congress (Brussels)	
15-16/02/2008	CGTP-IN Congress (Lisbon)	Congress programme
15-17/02/2008	DISK Congress (Istanbul)	
28/02/2008	Extraordinary meeting of the Group II “Workers” of the European Economic and Social Committee (Brussels)	
28-29/02/2008	Conference “Putting the quality of jobs at the heart of the European Employment Strategy” (Brussels)	Conference programme
03/03/2008	PERC Executive Committee (Brussels)	
04/03/2008	ETUC Steering Committee (Brussels)	
04-05/03/2008	ETUC Executive Committee (Brussels)	
12/03/2008	Meeting of the Group II “Workers” of the European Economic and Social Committee (Brussels)	



[Focus on the EU and trade union positions]

Revision of the EWC Directive: the ETUC welcomes the European Commission's proposals

20/02/2008 – The ETUC was pleased to see publication of the [Commission Communication on consultation of the European social partners concerning the revision of the European Works Council \(EWC\) Directive](#).

The ETUC is ready for substantial and rapid negotiations, but will not accept the employers playing for time. In its Communication, the Commission tackles a number of the relevant questions for revision, and makes reference to Article 27 of the

Charter of Fundamental Rights, according to which information and consultation rights constitute a fundamental social right. In the view of the ETUC, this means that workers in companies with less than 1,000 employees can no longer be denied this right.

[ETUC press release](#)

[Dossier on European Works Councils in ETUC newsletter n.23](#)

Decent work must be one of the United Nations' priorities

06/02/2008 – In the run-up to the 46th session of the United Nations Commission for Social Development, the ETUC, the International Trade Union Confederation (ITUC) and the Trade Union Advisory Committee to the OECD (TUAC) called on member states of the United Nations to make decent work a prime commitment.

While global growth in recent years has brought new jobs, many of them are low-paid and low-quality.

In addition, it is estimated that around 200 million people are likely to be unemployed in 2008.

Decent work also entails full respect for trade unions' right to organise and bargain collectively.

[ETUC Press release](#)

EBC must open its eyes to economic reality



07/02/2008 – The ETUC called on the board of the European Central Bank (ECB) to abandon its theoretical monetary approaches and open its eyes to economic reality.

In light of the threat of US recession, the Federal Reserve's recent monetary policy, the effects of the sub-prime crisis and fall in business cycle indicators, the euro zone needs now to cut interest rates in order to relaunch growth.

[ETUC Press release](#)

Laval and Viking cases: Europe must repair the damage

25/02/2008 – The ETUC took part in the **European Parliament hearing on the Laval and Viking Cases**. The impact of the European Court of Justice's judgements in these two cases is significant.

Even if it is recognised as a Fundamental right, the right to strike has been superseded by the free movement provisions. What we have now is a licence for social dumping, said John Monks. The European trade union movement asked the

members of the European Parliament to initiate action to repair the damage being done.

The ETUC put forward a series of proposals, including a Social Progress Clause to be added to the Lisbon Treaty, the strengthening of the Posted Workers Directive and agreement on the Temporary Agency Workers Directive.

[ETUC press release](#)



[EU Agenda]

February 2008 – March 2008

11/02/2008	Eurogroup (Brussels)	Meeting Agenda
12/02/2008	ECOFIN Council (Brussels)	Council Agenda
13/02/2008	EU Troika – Russian Federation	Meeting Agenda
13-14/02/2008	Plenary Session at the European Economic and Social Committee (Brussels)	
14/02/2008	Education, Youth and Culture Council (Brussels)	Council Agenda
18-19/02/2008	General Affairs and External Relations Council (Brussels)	Council Agenda
18-21/02/2008	Plenary Session at the European Parliament (Strasbourg)	Plenary Session Agenda
25-26/02/2008	Competitiveness Council (Brussels)	Council Agenda
28-29/02/2008	Justice and Home Affairs Council (Brussels)	Council Agenda
28/02/2008	Transport, Telecommunications and Energy Council (Brussels)	Council Agenda
29/02/2008	Employment, Social Policy, Health and Consumer Affairs Council (Brussels)	Council Agenda
03/03/2008	Environment Council (Brussels)	Council Agenda
03/03/2008	Eurogroup (Brussels)	Meeting Agenda
04/03/2008	ECOFIN Council (Brussels)	Council Agenda
10-13/03/2008	Plenary Session at the European Parliament (Strasbourg)	
10-11/03/2008	General Affairs and External Relations Council (Brussels)	Council Agenda
11/03/2008	EU Troika – Ukraine (Brussels)	Meeting Agenda
12-13/03/2008	Plenary Session at the European Economic and Social Committee (Brussels)	
13/03/2008	Tripartite Social Summit (Brussels)	Meeting Agenda
13-14/03/2008	European Council (Brussels)	Council Agenda
28-29/03/2008	Informal Meeting of EU Ministers of Foreign Affairs (Brdo)	Meeting Agenda



[Interview] JOHN MONKS

“ Europe’s workers need a pay rise ”

ETUC General Secretary John Monks explains why the European trade union movement is heading a Europe-wide campaign to win fair pay for workers.



1) Why has the ETUC decided to launch a campaign on wages?

John Monks: It's clear that pay is a major issue now in the minds of workers in many European countries as the realisation has come around that purchasing power is under downward pressure, that top earners are taking completely disproportionate

shares of company income for themselves and that the wages share of national incomes is falling.

This is a direct challenge to Europe's trade union movement and it means that we must fight this with all the means at our disposal.

An important additional point is the gap between men and women's earnings which stubbornly

stays at around 15%, on average. After more than 30 years of European equal pay legislation – indeed even the Treaty of Rome tried to establish the principle of equal pay 51 years ago – it's an indictment that we should still be faced with this gap in male and female earnings.

2) What are the key messages and the main events in this campaign?

JM: The key message is that European workers need and deserve a pay rise. We want more purchasing power and we want more equality. We want fair wages that reflect people's real contribution to society, not whether they happen to be covered by companies' executive remuneration packages, including 'golden hellos', share options, and 'golden goodbyes'. And we want genuine equal pay between men and women.

In terms of the main events, the demonstration in Ljubljana, Slovenia, on 5 April is the centrepiece of this campaign, and will be accompanied by other seminars and meetings addressing Europe's senior financial policy-makers in the Economic and Financial Affairs Council (ECOFIN), the European Commiss-



[Interview] JOHN MONKS

sion and the European Central Bank (ECB).

We will be advising the Governor of the European Central Bank, when he calls for pay moderation, to direct it at the board-rooms, not at the ordinary workers who are suffering enough already from reductions in purchasing power.

This will lead up to a conference during the French EU Presidency, in the latter half of this year, on how we take the campaign forward, particularly at the national and sectoral levels.



“ European workers need and deserve a pay rise. We want more purchasing power and we want more equality ”

3) There is a large number of activities reflecting dissatisfaction with wages and purchasing power, organised at national level by many ETUC affiliates. What do these movements have in common?

JM: Maybe to varying extents, all unions are in a difficult position on pay. We are keenly aware of the darkening economic outlook and the risk of recession, following the outrageous behaviour of the speculators. But we are not going to let that deflect us from our campaign for better pay. Whether in the public or the private sector, workers are not getting a fair deal.

4) What are the European trade union movement's proposals for dealing with the loss of purchasing power European workers are experiencing?

JM: We are looking for pay rises that protect workers against inflation and reflect increases in productivity. We are looking for pay increases in line with productivity plus the rise in the cost of living. Workers and their families should be able to live in dignity and enjoy the benefits of the wealth they create.

5) On many occasions, the European Central Bank has called on trade unions to exercise

wage moderation.

What is your view of this approach on the part of the ECB?

JM: The Organisation for Economic Cooperation and Development (OECD) has recently said that there is no wage inflation problem in Europe, so it's annoying that the European Central Bank and others keep calling for wage moderation from Europe's workers.

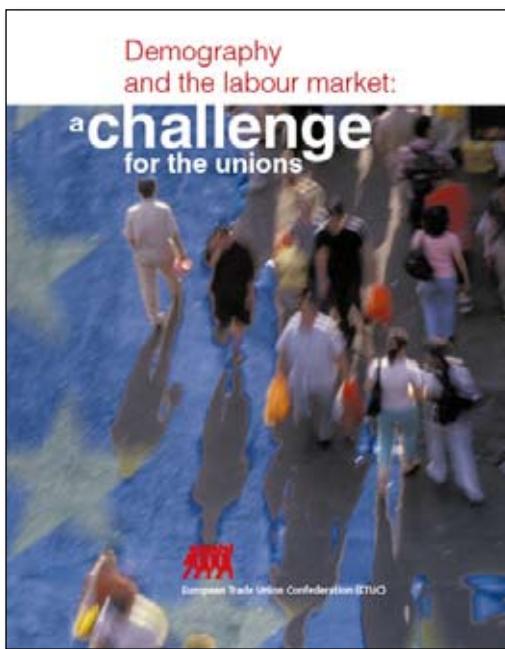
Already, living standards have been slipping backwards and pay militancy has so far been limited. But this cannot continue in the face of rising prices, particularly of energy and food, and the lavish increases paid by executives to executives. It's to the board rooms that the calls for moderation should be addressed.

Showing a good example by actions would be more impressive than exhortations by words.



[You may be interested]

Publications



Demography and Labour Market

The new ETUC publication "[Demography and Labour Market: a challenge for unions](#)" is available in English and French on the ETUC website. It lays out 10 options for trade union action on the issue and highlights trade union experience in the area of anticipating and managing demographic change.

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Patricia Grillo

EDITOR:

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Please pass this newsletter on to your colleagues and contacts

European Commission publications

The following reports are now available:

- [Consultation of the European social partners on the revision of Council Directive on the establishment of a European Works Council](#) (20/02);
- [Economic Interim Forecast](#) (21/02)
- [Joint Employment Report](#) (22/02)
- [Joint Report on Social Protection and Social Inclusion](#) (25/02).

Look at the facts!

Wages down
Profits up

Highest paid
20 top managers
gain 300 times more
than the average EU worker

Year	Annual average earnings (EUR)
1980	15000
1985	18000
1990	22000
1995	25000
2000	28000
2005	32000
2007	35000

Year	Pay 20 top managers (EUR)
2000	150000
2005	450000
2007	850000

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EUROPE'S WORKERS NEED A PAY RISE

Look at the facts!



Highest paid 20 top managers gain 300 times more than the average EU worker

And 40 years on, European women are paid 15% less than men

EURO DEMO
05.04.08
LJUBLJANA SLOVENIA



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